

# SUSPENSION

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## ERIE COUNTY COMPTROLLER KEVIN R. HARDWICK

July 19, 2022

Hon. John Garcia  
Erie County Sheriff  
10 Delaware Avenue  
Buffalo, New York 14202

**Re: Stadium Pay for Managerial-Confidential Appointees**

Dear Sheriff Garcia:

In my capacity as chief auditing officer of Erie County, I am writing to inquire about managerial-confidential employees of the Erie County Sheriff's Office who are receiving what is classified as "Stadium Pay" by the County's SAP system.

I am not writing this letter to in any way impinge on your security assessment and your responsibility to provide such services. I support law enforcement and appreciate the dangerous and challenging work that you perform. However, given the large dollar values associated with managerial-confidential employees who are receiving stadium pay at either Highmark Stadium and KeyBank Center (or both), and unresolved findings and issues with a 2020 Audit by this office, I believe the public and Legislature have the right to understand these costs.

SAP shows that many of your exempt appointees, including Jail Management personnel and civilian (non-sworn) staff have been receiving significant amounts of stadium pay for several years. This appears to include employees working not just at Highmark Stadium on Buffalo Bills game days, but also, over the past several years, employees being paid for working at Buffalo Sabres games or other events at KeyBank Center.

### **Buffalo Bills Stadium Security Agreement**

Under the 2013 Stadium Lease Agreement between the County and the Buffalo Bills, the County and the team executed a Stadium Security Agreement. See [http://www2.erie.gov/exec/sites/www2.erie.gov/exec/files/uploads/Stadium%20Security%20Agreement\\_t.pdf](http://www2.erie.gov/exec/sites/www2.erie.gov/exec/files/uploads/Stadium%20Security%20Agreement_t.pdf). That Stadium Security Agreement provided for the deployment of 128 sworn police officers at the stadium on home games to serve inside the stadium (separate from the normal 100-deputy sheriff officers who are assigned to the Sheriff traffic detail on the roads and walkways around Highmark Stadium). The Buffalo Bills agreed to pay for the costs of the new Supplemental Security Services detail and reimburse the County. However, the Stadium Security Agreement specifically stated that "Under no circumstances shall the number of MC Grade Deputy Sheriffs assigned to perform the Supplemental Security Services hereunder exceed 6 in any game." That does not account for the other managerial-confidential employees who receive stadium pay at 100% County expense with no reimbursement.

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## **Comptroller's December 2020 Audit**

In December 2020, this office issued an audit of the Sheriff's Office's Operating Budget Revenues for the limited period July 1, 2019 through December 31, 2019. See <https://www2.erie.gov/comptroller/sites/www2.erie.gov/comptroller/files/uploads/Sheriff%20Final%2012-24-2020.pdf>. That audit (which again, only looked at a very limited six-month period in 2019) found that internal controls over revenue transactions from activity at KeyBank Center were not adequately designed and were not operating effectively. Among other revenues in the Sheriff's Office, the audit analyzed stadium pay. The 2020 audit found significant accounting and paperwork problems with security services provided for events at KeyBank Center. Below is the text of the findings and recommendations of the audit:

### **2020 Audit Findings and Recommendations**

#### **a. Costs for Sheriff's Deputies Assigned to KeyBank Center Events Reimbursed without a Contract**

*The Sheriff has authority and legal right to provide security services at events throughout the County. No contract exists with Erie County for the County to be reimbursed for security services at KeyBank Center ("Arena") during events at the Arena. The Sheriff did not respond to our multiple request for time records detailing names, dates of service, and hours worked at events in the arena. We could not determine the dollar-value of County services provided.*

#### **b. Funds Were Accepted from an Unknown Payee**

*Funds from Western New York Arena LLC ("WNYA"), in the amount of \$60,000, were deposited by the Sheriff on 12/31/2019 [coded as a 'temporary transaction' in SAP]. No documentation exists in SAP that provides the identity of WNYA, nor does this payee exist in SAP with a valid customer number. Accepting cash transfers from unidentified sources may provide an opportunity for external individuals or entities to engage in improper activity.*

#### **c. Revenue from KeyBank Center Accepted without a Resolution**

*The Sheriff has a legal right and authority to provide security services at events throughout the County. The Sheriff is required to have a resolution to accept reimbursement for providing security services to events. The Sheriff did not provide an authorizing resolution to accept the funds.*

#### **d. Funds Deposited into Incorrect General Ledger Account**

*Funds received from WNYA were deposited into a G/L account dedicated to identify payments received from the Buffalo Bills. This process does not allow simple tracking of payments from WNYA and distorts the revenue balance received from the Bills.*

#### **e. Supporting Documentation**

*The Sheriff's Office did not provide a copy of an invoice detailing the services provided and the associated cost to be reimbursed. No determination can be made for the timeliness of payment, compliance, and verification of services provided. In addition, the Sheriff did not respond to our request for time records*

*detailing names, dates of service, and hours worked at events in the arena. In the absence of a contract and time records, there was no way to audit this area of operations of the Sheriff. We do not have the identity of WNYA on record in SAP.*

*We recommend that the Sheriff enter into a contract with any entity or individual whenever the County is to be reimbursed for those resources. A resolution authorizing any contract must be submitted to the Erie County Legislature for approval to accept the reimbursement funds. Accurate records of all County forces provided must be maintained for all assignments.*

*We also recommend that the Sheriff create a valid customer account in SAP for all potential customers. All required customer information must be obtained. Valid customer invoices must be prepared, reviewed and delivered to customers for services rendered, identifying the details of services provided and service delivery dates. A corresponding accounts receivable document (customer invoice) must be created in SAP in order to track all invoices. A dedicated G/L account should be created in SAP to simplify tracking of revenue from WNYA.*

\* \* \*

Since the December 2020 audit was released, nothing has been done by the Sheriff's Office to address the audit findings. Your predecessor declined to provide a written response to the audit, but the audit reported that the then-Undersheriff and then-Chief of Administration were in general agreement with the audit. Because of this situation, I am writing to inform you of this issue, and to solicit answers from you to the following questions concerning stadium pay.

### Questions

#### Highmark Stadium

1. On average, how many managerial-confidential employees receive stadium pay on Buffalo Bills game days?
2. Does this exceed the number permitted for reimbursement by the Bills?
3. Under what process do you determine how to grant/allow managerial-confidential employees to receive stadium pay and work on game days?
4. Where are they located/assigned and what are they doing? Are they physically on site at the stadium, in uniform? Are they offsite, or at other Sheriff offices?

#### KeyBank Center

1. What written documents or contracts exist detailing any agreement and protocols between the Sheriff's Office and WNY Arena LLC, Pegula Sports and Entertainment, the Buffalo Sabres or any other entity for security services at KeyBank Center?
2. When, why and how did WNY Arena LLC begin paying the County for security services at the Center? Did the Sheriff Office request payment? What payments have been made by WNY Arena LLC et al to the County?
3. When, and why did the Sheriff Office begin providing security services inside and outside of KeyBank Center?
4. How many Sheriff employees provide security services at KeyBank Center?
5. How many hours do they work on game/event days?
6. How many managerial-confidential employees work on game/event days? What are their titles and names?

7. Where are the managerial-confidential employees working (inside the Center, or outside, including sitting in vehicles (or are they offsite, say, at other Sheriff office locations)?
8. Why are you coding overtime for all employees as stadium pay (which was created for the Bills stadium detail), instead of requesting creation of a new pay code for KeyBank Center?
9. Do you have any protocols in place to dictate which managerial-confidential employees can receive stadium pay? How do you decide which appointees get stadium pay (and which do not)?
10. How are union-represented employees granted stadium pay and allowed to work on the detail?
11. Why isn't your office creating accounts receivables in SAP for any payments made by WNY Arena et al to the County associated with security services at KeyBank Center? In 2021, a vendor called Western NY Arena LLC was created in SAP but it has never been used.
12. There are two 'temporary transactions' showing in SAP dated December 31, 2019 recording \$60,000 in revenue and one transaction totaling \$120,000 dated June 17, 2019; what do those payments represent?

Regrettably, for whatever reason, your predecessor established this pattern and process, and he declined to provide any answers to my predecessor when they conducted their audit in 2020. It is my hope that you will reply and engage in dialogue so that we can continue to work together for the benefit of Erie County's taxpayers.

Thank you in advance for your assistance and cooperation.

Sincerely,



Kevin R. Hardwick, Ph.D.  
Erie County Comptroller

cc: Erie County Legislature  
Erie County Executive Mark C. Poloncarz  
Erie County Fiscal Stability Authority  
Erie County Director of Budget and Management Robert Keating